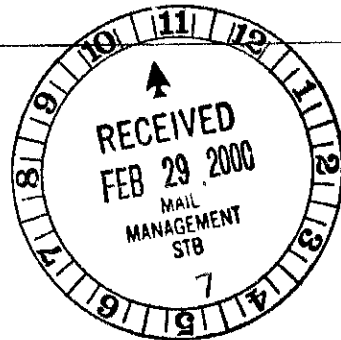




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ÉDIFICE WHITE OAKS

10, chemin Gatineau C.P.5000
Témiscaming (Québec)
J0Z 3R0



February 28, 2000

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, D.C. 20423-0001

Office of the Secretary
FEB 29 2000
Public Receipt

Dear Sir:

Tembec Inc. is a Forest Product Manufacturing company that is a major user of rail service in the U.S. and Canada. The purpose of this letter is to comment on the issues to be discussed on March 8th, 2000 in Ex Parte 582.

We encourage the Surface Transportation Board to focus on whether the proposed CN-BNSF combination should be judged on its merits and if other carriers propose mergers, then these cases ought to be evaluated on their merits.

The timing of the proposed CN-BNSF combination is not the central issue for our company. Our concern is service. Recent mergers have failed on service, not because of timing. Accordingly, the Surface Transportation Board should focus on ensuring that CN-BNSF combination, and any other future mergers, will deliver service.

The Surface Transportation Board has a comprehensive process to evaluate railroad transactions and protect the public interest. It should fairly evaluate the CN-BNSF combination according to that process. Do not let other railroads use the Surface Transportation Board process to protect themselves and not shippers.

Sincerely,

Bruce Budd
Corporate Distribution Manager

CC: Mr. Jim Guinivan – Fax # (202) 973-7610